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1 March 1961

Copy No. C 76

CENT'RAL INTELLIGENCE BULLETIN



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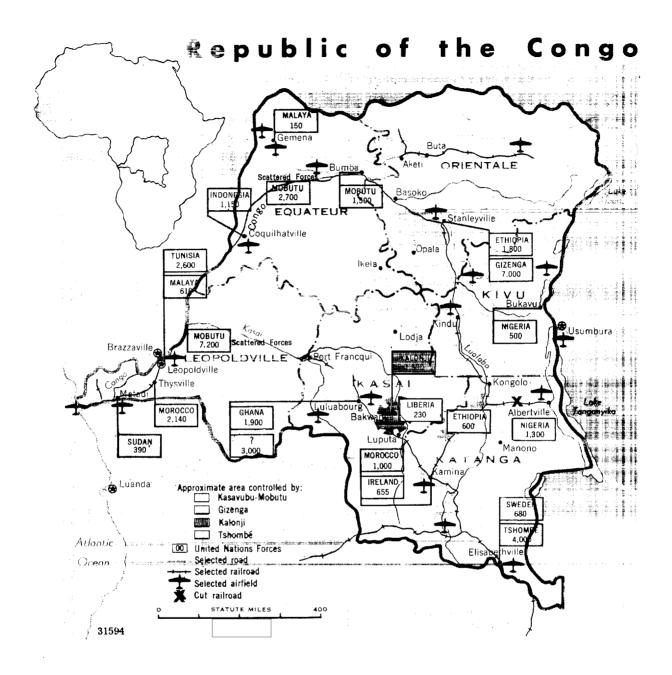
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*Congo: The Gizengist incursion into Luluabourg has fizzled and the situation in the city is now much as it was before the attack. Some of the attacking force have withdrawn to the northeast toward Kivu. Most of the remainder, largely natives of northern Kasai, have disappeared into the bush, some last P tives of northern Kasai, have disappeared into the bush, some last P tion on the location of the group previously reported in the vicinity of Port Francqui; however, the UN has confirmed that another incursion by forces of Gizenga estimated at two battalions is moving from Ikela in central Congo toward Coquilhatville, the capital of Equateur Province.

The 28 February agreement among Tshombe, Ileo, and Kalonji, which provides for a pooling of forces and continuing military and political consultations, is the first formal agreement reached between Elisabethville and Leopoldville. By tacitly admitting in this agreement Katanga's existence as a separate entity, Ileo may have undermined his claim to be spokesman for the entire Congo. The agreement is unlikely to result in much direct military support for the Leopoldville regime. Tshombe, who on 28 February denounced his tacit cease-fire agreement with the UN and threatened for the first time to move outside of Katanga, is likely to use his troops mainly in operations against dissident Baluba tribesmen.

UN represent-

ative Dayal "feels that his hands are strengthened by the Security Council resolution, and apparently he will carry it out with full force, in a revengeful mood for the attacks and humiliation

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he has suffered during the past few months from the Tshombé-Kalonji group and from Kasavubu and his followers." Dayal reportedly stated that "if the military strength of Tshombé, Kasavubu, and Kalonji could be crushed, the insulation of the army from politics could be done more easily." (Backup, Page 1) (Map)

*USSR-UN: The designation of Foreign Minister Gromyko to head the Soviet delegation to the General Assembly which resumes on 7 March apparently marks a change in Soviet plans. Khrushchev may wish to show that despite his harsh attacks on Hammarskjold and Western policy in the Congo, he has not lost interest in improved relations with the US and a meeting with the President. Gromyko told the Finnish foreign minister in mid-No-February that neither he nor Khrushchev would return to New York for this session of the UN but indicated that Khrushchev was still willing to come to the US for talks with the President. One of Gromyko's purposes may be the arrangement of such a meeting. The decision to send Gromyko coincides with an intensive effort by the Soviet UN delegates to confine General Assembly debate to a few items so as not to hinder restoration of "normal" US-Soviet relations.

Mali-Bloc: Mali is reportedly engaged in negotiations based () K on a joint Soviet-Czech offer to purchase Mali's entire 1960-61 peanut crop--about 50,000 metric tons--for approximately \$20,000,000. Since this single commodity accounts for about 90 percent of the country's export earnings, consummation of the deal would lead to an early reorientation of the Malian economy toward the bloc. France has offered to continue taking Mali's peanuts at premium prices, but Mali's leaders are apparently attracted by the willingness of the bloc countries to make a 25-percent payment in US dollars and by the prospect of sharply reducing Mali's economic dependence on France.

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India-Bhutan: The three-week visit to India by the Maharaja add of Bhutan, which began on 8 February, has reportedly resulted a posture in arrangements which will substantially improve New Delhi's defensive posture along the remote Bhutanese portion of the Sino-sure Indian frontier. For the first time, Bhutanese leaders have agreed in principle to the eventual stationing of Indian troops in their state. This agreement will lend substance to India's com-last sure mitment to defend Bhutan and reflects Bhutan's concern about reference (Backup, Page 5) (Map)

Israel - Arab States: A surprise test mobilization of Israel's armed forces is scheduled to take place shortly after 2 March. Jordan has been informed of the impending test through UN armistice commission channels. Nasir, who will probably also learn 6 K of the test, is nevertheless likely to use it as an occasion to denounce Israel during his current campaign to generate more enthusiasm in Syria for the union with Egypt. The scheduling of the test at this time is probably designed by the Tel Aviv government to unify the country following the disruption caused by a government crisis over the Lavon affair, and to strengthen Ben-Gurion's Mapai party in new elections.

*USSR: The dismissal of Ukrainian Premier Kalchenko for agricultural failures emphasizes Khrushchev's determination to achieve a sharp improvement in Soviet agriculture this year, and serves notice on officials responsible for agricultural performance at all levels that they stand to lose their jobs if they fail to get results. Numerous lesser officials have been fired on similar grounds since I January, when the party central committee aired the agricultural problem. Kalchenko, who has been government chief in the Ukraine since 1954, has been replaced by Vladimir Scherbitsky, one of the Ukrainian party secretaries. Many more members of the party central committee may be involved in the weeding out process before a new committee is elected by the next party congress in October.

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Situation in the Congo

to the Congo. The Sudanese UN delegate told an American official on 27 February that Khartoum does not intend to give way to Soviet and UAR pressure for transit rights. He said various devices were being tried but would not succeed.
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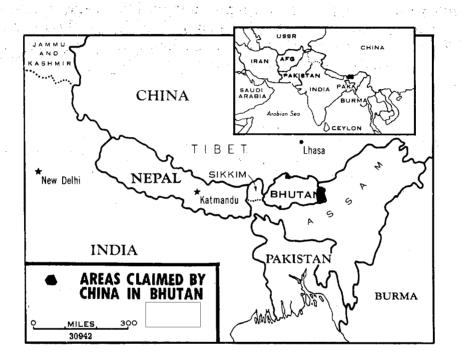
Mali

In the five months of its existence Mali has established diplomatic relations with six bloc countries, including the USSR and Communist China, received a large number of visiting bloc delegations, and sent a number of special missions to bloc countries. Except for one rather vague economic agreement with Czechoslovakia signed last November these contacts have so far produced few overt results. Nevertheless, the way seems to be open for the bloc to penetrate Mali as it has done in neighboring Guinea. The USSR is known to have been developing a comprehensive plan for the industrial development of Mali, while the Czechs have evinced interest in Mali's civil aviation, industrial development, and geological surveys. Malian Minister of Commerce Ndouré stated last week that he was "inundated" with bloc economic proposals, adding that he was under heavy political pressure to accept such offers without delay.

Mali's Marxist-influenced one-party regime is moving to reduce French influence. The regime, motivated by a militant anticolonialism, considers such a reduction a necessary prerequisite to the attainment of its proclaimed goal of 'total' political and economic independence. At the same time Malians continue to resent the part they believe French elements played in neighboring Senegal's secession from its former federation with Mali last summer. After finally accepting the federation's demise, Mali's leaders declared their country's dissociation from the French Community and began to institute measures aimed at undercutting French commercial interests.

Early this year the Mali Government requested Paris to evacuate three air bases and the military base which France had been permitted to maintain under an accord signed with the Mali-Senegal federation. Regime spokesmen have left little doubt that further moves to reduce French influence—especially in the economic sphere—would be forthcoming. A decision to shift the bulk of Mali's

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export trade to the bloc would suggest a possible early break with the French franc currency zone.

France has reacted to this situation with moderation in an effort to preserve as much as possible of its former position and to avoid providing any additional ammunition to probloc extremist elements in the regime. However, it has recently requested a written understanding as to the fields in which the Mali Government is willing to cooperate. Mali's moderate President Modibo Keita's response was to make such an understanding contingent upon a prior agreement providing for the evacuation of the bases—a demand France has not yet moved to satisfy because of concern over possible attempts to aid the Algerian rebels via Mali.

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India Improves Strategic Position in Himalayan State Of Bhutan

During the Bhutanese Maharaja's stay in India, he reportedly discussed with Nehru the terms of the Indo-Bhutanese treaty of 1949 under which New Delhi assumed a virtual protectorate over the remote, semi-autonomous state. In order to establish Bhutan's right in principle to conduct its own foreign affairs, Bhutanese officials had reportedly wanted to change the clause under which Bhutan agreed to be "guided" by India in its foreign affairs. New Delhi has consistently interpreted this clause as giving India complete control of Bhutan's foreign affairs and vigorously rejected previous Bhutanese efforts to redefine the clause.

On 15 February, however, the Maharaja substantiated the Indian interpretation by publicly reiterating his request, first made in 1959, that India again raise with Peiping the claims to a portion of Bhutan's territory which the Chinese have made. The Maharaja in this manner has rebuffed the Chinese, who have made direct approaches to the Bhutanese to discuss the border and who, during the 1960 Sino-Indian border talks, refused to discuss the Tibetan-Bhutanese border with the Indians. Although the Chinese based their refusal on the ground that the discussion of Bhutan's borders "did not fall within the scope of the Sino-Indian boundary question," New Delhi has interpreted this as a refusal by Peiping to acknowledge India's special treaty relationships with Bhutan.

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High Soviet Official Dismissed for Agriculture Failures

Khrushchev showed strong dissatisfaction with the condition of Ukrainian agriculture early in the central committee meeting in mid-January when he interrupted the speech of Ukrainian party chief Podgorny, a member of the ruling party presidium, with sharp criticism. The first sign that Kalchenko was personally in trouble, came only a few days later when Khrushchev, in his own speech, accused the Ukrainian Premier of panicking with disastrous results, during a drought in 1956. "There he sits," said Khrushchev, "a member of the central committee and everything rolls off him as water does off a duck's back. It doesn't matter to him that he made a mistake."

Vladimir Matskevich, like Kalchenko a former subordinate of Khrushchev's in the Ukraine, was fired as Soviet agriculture minister in December. Their ousters and Podgorny's precarious position are further signs that the Ukraine and Khrushchev's old associates can no longer expect special treatment from Moscow

The new premier, Vladimir Shcherbitsky has been a secretary of the Ukrainian party organization since late 1957, specializing in industrial matters. He is one of several younger party administrators who have been brought recently into prominence. A party member only since World War II, Shcherbitsky got started in the Ukrainian party organization during the early 1950's and became party boss in the industrial center of Dnepropetrovsk in 1954. He attracted the attention of the Moscow leadership, and was given a seat on the party's Central Auditing Commission at the Twentieth Party Congress in Moscow in 1956.

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